GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:6439
ANSWERED ON:09.05.2005
SETTING UP INTEGRATED AGRICULTURAL MARKET
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has a proposal to set up integrated agricultural market in the country;

(b) if so, the main objectives of the above proposal;

(c) whether any legislation is proposed to be brought about to give effect to the above proposal;

(d) if so, whether the State Governments have been asked to make act at their State level to implement the above proposal; and

(e) if so, the details of their reaction?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): This Ministry is supporting the States in preparation of detailed project reports for establishment of modern integrated markets.

(b): There is a need in the country to establish a strong agricultural marketing structure that can sustain incentives for quality and enhanced productivity. Modern Integrated Markets in important Centers could provide such structure by creating backward linkages through farmers` association and forward linkages through wholesalers and distribution centers.

(c)&(d): Under the Agricultural Produce Marketing (Regulation) Act (APMC Act), which is the existing law dealing with agricultural markets, the State Government alone is empowered to initiate the process of setting up of markets for agricultural commodities in notified areas. As a result private and cooperative sectors cannot take initiative in setting up integrated markets. Karnataka and Maharashtra are the only States where APMC Act has been amended to allow setting up of integrated agriculture produce markets. Other States need to amend APMC Act on similar lines. A model Agricultural Produce Marketing (Development & Regulation) Act has been circulated by this Ministry to all the States, to guide them in bringing changes in the APMC Act for the development of competitive markets.

(e) Reforms in APMC Act were discussed with the State Governments and Union Territories at the National Conferences held at Delhi on 07.01.2004 and at Bangalore on 19.11.2004. Several States have since initiated action for its amendments on the suggested lines.